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IN THE

Supreme Court of the United States

MATTEL, INC.,

Petitioner,

v.

MCA RECORDS, INC., ET AL.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

REPLY BRIEF FOR THE PETITIONER

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Mattel's central claim is that the way MCA *marketed* sound recordings of or including the song "Barbie Girl" infringed and diluted the BARBIE trademark. MCA, like the Ninth Circuit, attempts to shift the focus away from marketing and toward the use of the BARBIE mark within the body of the song itself—a use that Mattel does not challenge. It cannot, however, reconcile the categorical exclusions from liability created by the decision below with the Lanham Act, with other decisions, or with trademark law's fundamental purpose of preventing consumer confusion.

1. MCA argues that the Ninth Circuit did not "deviate[] from precedent" in this case, but simply applied a test articulated by the Second Circuit in *Rogers* v. *Grimaldi*, 875 F.2d 944 (1989). Br. in Opp. 1; *see id.* at 2-8. That test asks whether unauthorized use of a protected mark in the title of an expressive work is relevant to the body of the work, and not "explicitly misleading" as to source or content. But as the petition points out (at 9-10, 11), the Second Circuit has made clear that the *Rogers* inquiry supplements, but *does not supplant*, the usual likelihood-of-confusion inquiry under the Lanham Act. That inquiry is required by the Act itself, and is necessary to serve trademark law's central purpose of protecting consumers from misleading marketing. *See, e.g.*, 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A) (prohibiting use of marks "likely to cause confusion, or to cause mistake, or to deceive" as to source or sponsorship of goods); *Rogers*, 875 F.2d at 997-98 ("The purchaser of a book, like the purchaser of a can of peas, has a right not to be misled as to the source of the product.").

The Ninth Circuit erred—and "deviated from precedent"—by holding that in cases involving the titles of expressive works a simplistic application of the *Rogers* test exhausts the analysis, completely pretermitting consideration of the standard likelihood-of-confusion factors. *See* Pet. App. 4a-5a, 8a. Titles have long been recognized as themselves potentially serving the commercial, source-identifying function of trademarks. *See, e.g., EMI Catalogue P'ship* v. *Hill,*

Holliday, Connors, Cosmopulos Inc., 228 F.3d 56, 63 (2d Cir. 2000) ("The title of a song certainly may fulfill the source- or product-identifying function of a mark."); *Gannert* v. *Rupert*, 127 F. 962 (2d Cir. 1904). Titles that incorporate another party's trademark thus pose an obvious risk of consumer confusion—an outcome that the First Amendment leaves room for trademark law to prevent.

The risk of confusion involved in any given case cannot, however, be evaluated without considering factors such as how the title is used in marketing the work, and to what type of consumers the marketing is directed. Indeed, *Rogers* itself recognized the potential source-identifying function of titles, and considered the plaintiff's arguments that, in context, a challenged film title would mislead consumers as to source or sponsorship. *See* 875 F.2d at 997-98, 1000-01. Yet the decision below truncates the analysis if a court finds that a title is not "explicitly" misleading. That approach cannot be reconciled with the Second Circuit's own cases applying *Rogers*. *Compare* Pet. App. 8a *and* Br. in Opp. 3 ("Significantly, the Second Circuit in *Rogers* did not apply the likelihood of confusion factors ....") *with Twin Peaks Prods., Inc.* v. *Publications Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993) (remanding because "the District Court did not apply the [likelihood-of-confusion] factors individually or determine whether the likelihood of confusion was so great as to overcome the presumption of *Rogers*"); *see also Cliffs Notes, Inc.* v. *Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 495-97 (2d Cir. 1989) ("apply[ing] the *Rogers* approach" through contextual analysis, including consideration of how and to whom the challenged parody was marketed).[1]

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[1] Not surprisingly, the decision below also departs sharply from the Ninth Circuit's own previous approach to similar claims. *See Dr. Seuss Enters., L.P.* v. *Penguin Books USA, Inc.*, 109 F.3d 1394, 1403-06 & n.11 (9th Cir. 1997) (sustaining preliminary injunction against distribution of book, first considering likelihood-of-confusion factors, including title, as

2. MCA seeks to distinguish conflicting cases on the ground that they did not involve parodic works, or involved use of a trademark "to parody something unrelated to it." Br. in Opp. 8. Even MCA concedes (*id.* at 8 n.4), however, that *Nike, Inc.* v. *"Just Did It" Enterprises*, 6 F.3d 1225 (7th Cir. 1993), cannot be distinguished on those grounds. And there is no shortage of cases holding, like *Nike*, that parodies using trademarks "do not enjoy a dispensation from the [likelihood-of-confusion] standard"—even when what is parodied is the trademark itself. *Nike*, 6 F.3d at 1228; *see also, e.g.*, *Jordache Enters.* v. *Hogg Wyld, Ltd.*, 828 F.2d 1482 (10th Cir. 1987) (applying traditional analysis to parody of trademark); 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31:153, at 31-251 (4th ed. 1996) ("[T]he cry of 'parody!' does not magically fend off otherwise legitimate claims of trademark infringement . . . ."). Indeed, one of MCA's own cases, *Lyons Partnership* v. *Giannoulas*, 179 F.3d 384, 389 (5th Cir. 1999), involved a parody of a trademark, and expressly observes that parodic use is merely "an additional factor that should be considered" along with other likelihood-of-confusion factors.

In any event, the test adopted by the Ninth Circuit is not limited to parodies, but encompasses any expressive work. *See* Pet. App. 6a-8a. There is accordingly no way for MCA to distinguish *Westchester Media* v. *PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000)—which may be why the brief in opposition does not even cite that case. As the petition explains (at 12), in *Westchester Media* the Fifth Circuit considered use of the title "POLO" for a magazine. Treating the magazine as a literary work and applying what it understood to be the Second Circuit's approach in *Rogers* and *Twin Peaks*, the court reviewed and upheld the district court's factual findings on the standard likelihood-of-confusion factors.

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the "basic test" for infringement, and rejecting proffered categorical defenses based on expressive or parodic nature of work).

214 F.3d at 664-67.[2] Recognizing the defendant's "First Amendment interest in choosing a title for its magazine," the court required a "particularly compelling likelihood of confusion"—and upheld the finding that the plaintiff had satisfied that standard at trial. *Id.* at 667-68. Neither that approach nor that outcome can be squared with the decision below.

3. MCA ultimately acknowledges (Br. in Opp. 9-10) that Mattel's infringement claim is based on MCA's marketing, not on Aqua's use of the BARBIE trademark within the body of its song. MCA offers only two responses: That the "right to title [the song] *Barbie Girl*" carried with it an absolute right to "use that title when promoting the song" (*id.* at 9), and that the *district* court ruled against Mattel on the likelihood-of-confusion issue (*id.* at 10). The first point is inaccurate. As we have explained, whether unauthorized use of a trademark in a title amounts to infringement depends on the full context of the use, including associated marketing, and whether *in that context* the use is likely to mislead relevant groups of consumers. The second point begs the question Mattel sought to present on appeal: Whether the district court erred in resolving the likelihood-of-confusion issue itself, rather than allowing Mattel to present its evidence to a jury. The Ninth Circuit never reached that question, because it fashioned and applied the far more sweeping legal rule that Mattel challenges in this Court.[3]

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[2] In light of *Twin Peaks*, the Fifth Circuit understood *Rogers*' "explicitly misleads" standard to require a full contextual inquiry based on "the [same] likelihood of confusion test used in evaluating standard trademark infringement claims." 214 F.3d at 664-65. That understanding is incompatible with the Ninth Circuit's holding (Pet. App. 8a) that, as a matter of law, the "Barbie Girl" title "does not explicidy mislead as to the source of the work" because "[t]he only indication that Mattel might be associated with the song is the use of [Mattel's trademark] in the title."

[3] MCA's suggestion (Br. in Opp. 10) that Mattel did not present a "marketing" issue on appeal is inaccurate. *See, e.g.*, Pet. C.A. Opening Br. 29 (summarizing argument that MCA "commercially exploit[ed]" the

4. As is evident, MCA's argument that Mattel "advocates abandoning the traditional approach courts have applied in trademark cases that involve literary titles or parody" (Br. in Opp. at 3) in favor of some "rigidly applied" test gets matters backwards. The Lanham Act requires courts to consider whether unauthorized uses of marks are "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A). Every Circuit has adopted a flexible, multi-factored, fact-based analysis to implement that statutory standard. *See* Pet. 7-8. Other circuits continue to apply that context-sensitive analysis in cases involving the titling and marketing of expressive works. *See, e.g.*, *Westchester Media*, 214 F.3d at 664-65; *Twin Peaks*, 996 F.2d at 1379-80. It is the Ninth Circuit that has now replaced flexibility and attention to context with a "rigid" legal "test." *See* Br. in Opp. 7-8; Pet. App. 8a (summarily applying test).

As framed and applied by the court below, that test would preclude an infringement challenge to almost any use of a trademark in a title, no matter how egregious the surrounding circumstances. Here, the court held that the title "Barbie Girl," considered by itself, was not "explicitly" misleading, and therefore was immune from challenge, because "[t]he only indication that Mattel might be associated with the song is the use of Barbie in the title." Pet. App. 8a. On that reasoning, there presumably could have been no relief even if MCA had *admitted* that it chose the title "Barbie Girl," and designed its marketing strategy, with the specific intent to mislead consumers into believing that MCA's CDs were authorized and endorsed by Mattel. Likewise, a series of non-parodic storybooks entitled "Adventures of Barbie and Ken," expressly marketed to children, would apparently be immune from challenge. *Compare Westchester Media*,

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BARBIE mark on music products "*designed and marketed to confuse their young, female target audience* into believing that defendants' products are sponsored or licensed by Mattel" (emphasis in original)).

214 F.3d at 668 (upholding finding of infringement based in part on evidence of defendant's "intent to trade on [plaintiff's] goodwill and reputation"); *San Francisco Arts & Athletics, Inc.* v. *United States Olympic Committee*, 483 U.S. 522, 541 (1987) ("The mere fact that the [defendant] claims an expressive, as opposed to a purely commercial, purpose does not give it a First Amendment right to appropriate to itself the harvest of those who have sown." (internal quotation marks omitted)). A construction of the Lanham Act that would lead to such results merits review by this Court.

5. With respect to the "noncommercial use" exemption from the Federal Trademark Dilution Act, MCA argues that speech that "does no more than propose a commercial transaction" is the "core" of "commercial speech." Br. in Opp. 10-11. Mattel has never disputed that proposition. Nor, for that matter, need we dispute here that the lyrics of "Barbie Girl," considered in isolation, are "core" *non*commercial speech, both as a constitutional matter and for purposes of the FTDA. *See id.* at 11. But the *marketing* of an expressive work falls into a middle ground between purely "commercial" and purely "noncommercial" speech, and cannot be categorically excluded from challenge under the FTDA.

Claims involving marketing require distinguishing the body of a work from its title. Titles often serve in part a commercial marketing, and source-identifying, function, just as trademarks do for other types of goods. *See* pp. 1-2, *supra*. The way a title incorporating another's trademark is used in marketing a work, or related products, plainly may suggest source or sponsorship or reduce the distinctiveness of the borrowed mark, thus infringing or diluting the mark.

The Ninth Circuit ignored this distinction between a title and the underlying work. Its analysis of the FTDA's "noncommercial use" exemption focuses exclusively on the use of a famous mark within the body of an expressive work, such as in the lyrics of a song, or in a photograph, or in the text of a book or article. *See* Pet. App. 13a-16a. The court's analy-

sis of the separate question of using "Barbie Girl" as a title, and in marketing Aqua and its album, is limited to one cursory sentence at the end of its discussion. *Id.* at 16a ("For precisely the same reasons, use of the mark in the song's title is also exempted."). While the court recognized that "MCA used Barbie's name to sell copies of the song" (*id.* at 15a; *see also id.* at 10a), it failed to recognize that such marketing (and potentially source-identifying) uses are different from uses within the body of a work itself. That failure led the court to its anomalous holding that MCA's use of Mattel's trademark was categorically exempt from liability for dilution—*no matter what the evidence might show* about exactly how MCA exploited the mark for its own commercial gain, or about the effect of such exploitation on the BARBIE mark.

6. MCA argues (Br. in Opp. 11) that if it was permissible for Aqua to use Mattel's mark in the lyrics of its song, then MCA "necessarily can (in fact, must) refer to the title of its parody when it promotes the song." Under Mattel's construction of the FTDA, MCA contends, "parody [or any other expressive work] would lose constitutional protection once the parodist tried to sell the parody." *Id.* at 11-12. These arguments are unpersuasive. *See* p. 4, *supra.*

Selling copies of an expressive work does not transform the work into "commercial speech." Br. in Opp. 12. But it does not follow that the marketing of such a work—including the choice of its title—is immune from regulation. The content of a marketing campaign *is* "commercial speech," in a perfectly conventional sense. There is accordingly no reason to suppose that when Congress enacted the FTDA, it meant the "non-commercial speech" exemption to preclude consideration of the sort of claim Mattel has made against MCA.

That consideration should take due account of First Amendment interests. All speech, commercial or not, is entitled to significant protection. But in this case, Mattel claims that MCA impermissibly diluted the BARBIE trademark by, for example, using a title and designing a marketing strategy

that were specifically intended to exploit Mattel's image and reputation with Mattel's own customers. *See* Pet. 3-4 (describing marketing efforts); *cf.* 15 U.S.C. § 1125(c)(2) (permitting damages in dilution actions if the defendant "willfully intended to trade on the [trademark] owner's reputation"). Those marketing efforts, moreover, related to selling not only the "Barbie Girl" song itself, but also, for example, the Aquarium album—a product as to which MCA had ample promotional alternatives to trading on the BARBIE name. Yet the Ninth Circuit refused even to *consider* Mattel's dilution claim. *See* Pet. App. 15a-16a. That sweeping contraction of the FTDA is neither a plausible construction of the Act, nor one required by the Constitution.

7. As the petition explains (at 16-18), the Ninth Circuit's construction of the FTDA is inconsistent with the reasoning of pre-FTDA cases from other circuits interpreting state anti-dilution law—cases of the sort Congress looked to when it fashioned the federal Act. *See* Pet. 16 (citing H.R. Rep. No. 104-374, at 8). As to *L.L. Bean, Inc.* v. *Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987), MCA argues that "MCA merely sold the song embodying the parody, just as the defendant in *L.L. Bean* sold the magazine containing the parody." Br. in Opp. 13. But the *L.L. Bean* court reasoned in part that the parody including the plaintiff's trademark was tucked into a 100-page magazine, without any reference on the front or back cover. *See* Pet. 16. Thus, the defendant "did not use Bean's mark to identify or promote [its own] goods or services to consumers." 811 F.2d at 32. MCA says nothing to refute our point that under that analysis, a case involving the facts alleged here would have been entitled to full consideration on the merits—not dismissal on the theory that the challenged marketing uses were "noncommercial."

As to *Anheuser-Busch, Inc.* v. *Balducci Publications*, 28 F.3d 769 (8th Cir. 1994), MCA recites some of the facts of the case and declares them "starkly different" from those at issue here. Br. in Opp. 13-14. It does not explain why the differences are legally relevant. *Balducci* upheld a dilution

claim against a parody that included the plaintiff's trademarks and was printed on the back cover of the defendant's magazine. *See* 28 F.3d at 777-78. MCA suggests no way in which that claim could have survived dismissal under the categorical standard adopted by the Ninth Circuit in this case.

8. Finally, MCA devotes several pages to purported misstatements or omissions in Mattel's relation of the facts. Br. in Opp. 14-20. But the Ninth Circuit ignored Mattel's argument that there were numerous material factual issues, and resolved the case on the basis of new legal rules, essentially independent of factual context. Because the petition seeks review of those legal holdings, it is irrelevant that the parties continue to disagree about the evidence in the summary judgment record. In any event, on summary judgment the facts must be viewed in the light most favorable to Mattel. *See, e.g.*, *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). For these reasons we resist the temptation to offer any point-by-point rebuttal of MCA's factual assertions, and content ourselves with a few representative rejoinders.

- As to the supposed lack of BARBIE music products (Br. in Opp. 14-15), for many years Mattel has produced and licensed music products such as vinyl records, audio and video cassettes, CDs, or CD-ROMs incorporating the BARBIE trademark in the title and featuring the vocals of a singer playing the role of the BARBIE doll. *See* Pet. 2-3; ER 95-97; 148-192; 1242-1247; 1255-1256. In September 1997, when this suit was filed, Mattel had music products on sale (ER 1242-43); its 1998 product line was slated to include BARBIE AND THE GLOW GIRLS, a BARBIE musical group featuring a music cassette (ER 1246-1247); and it was in negotiations with a division of Sony Music that led to an April 1998 agreement to market a series of BARBIE music products in cassette and CD formats (ER 1748-1765).

- With respect to Mattel's consumer survey, MCA notes that when asked to name what company actually "put[] out" the "Barbie Girl" video and CD, only 4% of those sur-

veyed named Mattel. Br. in Opp. 19. It fails to mention, however, that 39% of respondents thought the company that owned the BARBIE doll brand had given its permission to use the BARBIE name. ER 847, 1049. Among 10-13 year old girls that percentage was 41%; and among 6-9 year old girls, it was 51%. ER 1049. *Compare, e.g., Exxon Corp.* v. *Texas Motor Exch.*, 628 F.2d 500, 507 (5th Cir. 1980) (survey showing 15% of respondents associated defendant's use with plaintiff's mark, and 23% associated it with relevant lines of business, was "strong evidence indicating a likelihood of confusion"); *Mutual of Omaha Ins. Co.* v. *Novak*, 836 F.2d 397, 400 (8th Cir. 1987) (giving "substantial weight" to survey showing 10% of respondents thought trademark owner had "go[ne] along" with infringing product).

- The numerous emails Mattel received cannot be dismissed as "ambiguous." Br. in Opp. 18. They included messages such as: "I just love the new Barbie song! Can you send it to me?" (ER 1621); "Do you have music on this homepage? I would like to listen to some Barbie songs on here, including the new Barbie song." (ER 1626); and "Barbies's [sic] are pretty. When the Barbie song comes on I like to take Ken and Barbie out and make them dance." (ER 1632 (capitalization altered)). Whether the emails, together with the other evidence, were sufficient to show a likelihood of confusion was properly a matter for the jury.

In any event, this Court need not concern itself with these factual disputes. The Ninth Circuit reached its judgment as a matter of law. If this Court reverses that judgment, the court of appeals can return to the question that it should have addressed in the first place: Whether the parties' disputes of fact should have precluded summary judgment.

CONCLUSION

For the foregoing reasons and those set forth in the petition, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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